

# **CORRECTED FISCAL MEMORANDUM**

## **SB 1363 – HB 1256**

April 21, 2008

**SUMMARY OF AMENDMENT (014480):** Deletes all language of the original bill. Enacts the *Tennessee Voter Confidence Act* to require any voting system purchased or leased with state, federal, or local funds after the effective date of this act to use an individual voter-verifiable paper ballot of the voter's vote (optical scan or touch-screen machines) that can be made available to the voter for review before the vote is cast. Requires all current voting systems to produce a paper audit trail as soon as practical but no later than the general election of 2010.

### **FISCAL IMPACT OF ORIGINAL BILL:**

Increase State Expenditures - \$9,535,000/One-Time

### **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

On March 13, 2008, we issued a fiscal memorandum on this amendment indicating *an increase in state expenditures of \$25,000,000/One-Time and an increase in local expenditures exceeding \$100,000*. Based on new information from the State Election Coordinator, the fiscal impact of the bill with the proposed amendment is as follows:

#### **(Corrected)**

**Other Fiscal Impact – One-time increase in Federal HAVA (Help America Vote Act) funds of \$25,000,000 to purchase county voting systems which will provide a voter-verified paper ballot of the voter's vote.**

**Increase Local Expenditures\* - Exceeds \$100,000**

Assumptions applied to amendment:

- According to the State Coordinator of Elections, the implementation of the optical scan voting system to replace the voting systems in 93 Tennessee counties that now use Direct Recording Electronic Voting machines (DREs) will result in a one-time increase in federal expenditures of approximately \$25,000,000.

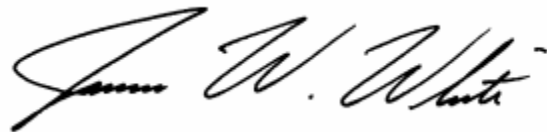
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- Two counties, Pickett and Hamilton, currently have optical scan machines.
- There are approximately 2,500 precincts in Tennessee.
- Each precinct would need at least one scanner and one marking device for voters with disabilities. Scanners and marking devices would cost approximately \$5,000 each. (\$5,000 x 2 devices = \$10,000 each precinct x 2,500 precincts = \$25,000,000 statewide).
- Under the amendment, each county is required to conduct mandatory hand counts of all voter-verified paper ballots in at least three percent of its precincts. The increase in local government expenditures for individual counties is estimated to exceed \$100,000.
- According to the State Coordinator of Elections, the Federal Election Assistance Commission (EAC) has recently reversed its position to provide that states with HAVA-compliant systems can use HAVA money to replace one compliant system with another compliant system, as long as such purchases comply with HAVA. Based on the EAC's current position, Tennessee will be allowed to use HAVA money to carry out the requirements of the bill, as amended.

\*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

## **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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